**RBI directions to Peerless General Finance and Investment Company Ltd.**

3178. SHRI KARNENDU BHATTACHARJEE: SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India (RBI) has in the recent past directed Peerless General Finance and Investment Company Ltd. to cut its administrative cost including reducing its performing assets, divesting its stake in its subsidies and cutting its lavish management expenses;

(b) if so, the details thereof;

(c) -whether the Company has given so far any compliance report on this directive to the RBI showing any tangible results achieved; and

(d) if so, the details thereof and if not, the action proposed to be taken against the Company?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. After the inspection of the company under Section 45-N of the Reserve Bank of India Act, 1934, with reference to its financial position as on 31st March, 1999, a letter dated 7.4.2000 was issued to the Company for rectifying the adverse features noticed. The Comapny **was** advised, infer *alia* to take corrective steps for reducing its adminisatrative expenses, and NPAs. The Company was also advised to divest its stakes in the subsidiaries.

(c) and (d) The Company had furnished its compliance report on 27.04.2000. The Company has initiated action to reduce administrative expenses. Regarding NPAs the company has reported encouraging developments on accounts of recoveries in hard core areas which are likely to be realized fully or substantially by 31.03.2003. The Company has also reportedly disengaged itself from certain companies as per the following details:—

| | |
|---|---|
| (i) Companies sold/liquidated | 3 |
| (ii) Companies in the process of winding up/sale | 8 |

(iii) Companies from which PGFIL has exited from Management 7

**SC order on Compassionate Appointments in PNB**

3179. SHRI SUKHDEV SINGH LIBRA:

SHRI W. ANGOU SINGH:

Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 245 given in the Rajya Sabha on die 25th July, 2000 and state:

(c) whether a rule made for welfare measure may be implemented from retrospective date;

(d) whether the Supreme Court in the cited judgement has directed Government to make the rule to be effective from retrospective date;

(e) whether it is a fact that in the cases of employees who died in harness prior to 1997, the PNB has assured their minor wards to consider them for compassionate appointment once they attained majority;

(f) if so, the details thereof; and

(g) whether in some of the declined cases, wards of deceased are orphans and affected badly by the implementation of this rule?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) No, Sir. Supreme Court in their judgement have only stated that compassionate employment cannot be granted after a lapse of reasonable period which must be specified in the rules. Keeping this in view Punjab National Bank (PNB) have revised their guidelines for employment on compassionate grounds and these are applicable from 20.3.1997 and not with retrospective effect.

(c) and (d) According to PNB there are 7 cases where the employees had died prior to 1997 and the request from the dependcntsicgal. heirs fur registering the name of one of the wards was acceded to by the bank for examination. In all the 7 cases, the concerned persons became eligible, either after attaining the majority or attaining the desired qualification and applied for appointment on compassionate grounds after 20.3.1997. All these cases were examined by the bank in terms of the revised scheme and could not